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PROGRAMME PLANNING

Country and intercountry programmes and projects

FIFTH COUNTRY PROGRAMME FOR LESOTHO

Programme period	Resources	$
1992-1996	Net IPF	19 607 000
	Estimated cost-sharing	675 000
	Total	20 282 000

CONTENTS

		Paragraphs	Page
I.	DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES	1 - 9	2
	A. Current socio-economic situation	1 - 6	2
	B. National development objectives and strategies ...	7 - 9	3
II.	EXTERNAL COOPERATION	10 - 15	4
	A. Role of external cooperation	10 - 14	4
	B. Aid coordination arrangements	15	5
III.	THE COUNTRY PROGRAMME	16 - 49	5
	A. Assessment of ongoing country programme	16 - 21	5
	B. Proposals for UNDP cooperation	22 - 45	7
	C. Assistance outside main country programme areas ..	46	13
	D. Implementation and management arrangements	47 - 49	13

Annexes

I.	Financial summary	15
II.	Programme matrix	17

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. Lesotho is completely surrounded by the Republic of South Africa. Because of this unique situation, its socio-economic performance is strongly influenced by economic and political developments in that country. Lesotho is a least developed country (LDC) of about 30,355 square kilometres, with a population of about 1.8 million. Most of the country is mountainous and only 9 per cent of the total land area is arable.

2. Lesotho's economy is linked to that of the Republic of South Africa by geography, by migrant worker remittances and by its membership in the Common Monetary Authority (CMA) and the Southern African Customs Union (SACU). Migrant worker remittances account for 45 per cent of gross national product (GNP). Around 95 per cent of the country's imports come from the Republic of South Africa; 55 per cent of exports are destined for that country.

3. Economic performance in the 1970s was impressive. However, in the 1980s, falling revenue from the mining and agricultural sectors, high government expenditures, accelerated land degradation, rapid population growth and wide unemployment contributed to stagnation of the economy. As a result, the Government experienced increasing budget deficits as expenditure levels rose above sustainable revenue levels. The budget deficit rose from 17.2 million malotis in 1984/85 to 180.9 million malotis in 1988/89. Total public debt was 37 per cent of gross domestic product (GDP) in 1988 and debt service grew from 4.5 per cent of exports of goods and services to 5.2 per cent. In 1988, in an attempt to revitalize the economy, the Government adopted a comprehensive programme of economic reform supported by the International Monetary Fund (IMF) and the World Bank. Under the Structural Adjustment Programme (SAP) 1988-1991, management of the economy, through financial controls, expansion of revenue base (customs/taxes), reduction in the size of the public sector and control of government expenditure, was improved and the land tenure system was reformed. The overall economic performance has been satisfactory. GDP growth reached 11 per cent in 1988-1989, 9 per cent in 1989-1990 and 8 per cent in 1990-1991. The agricultural and manufacturing sectors recorded appreciable growth, and inflation was reduced to 12 per cent in 1990, from 15 per cent a year earlier. In May 1991 the Government adopted the Extended Structural Adjustment Facility (ESAF) (1991/94), with stricter reform measures and economic performance benchmarks.

4. Despite uneven economic performance, the human development index (HDI) showed significant improvement over the past decades. Life expectancy rose to 57.3 years in 1990, up from 41.6 in 1960; access to safe drinking water increased to 48 per cent in 1990 from 17 per cent in 1970; access to health facilities increased to 80 per cent; adult literacy increased to 73 per cent in 1990 from 63 per cent in 1970. Lesotho rates higher than the sub-Saharan average in life expectancy (57.3 versus 51.8), access to safe water (48 per cent versus 40 per cent), access to health facilities (80 per cent

versus 47 per cent) and adult literacy (73 per cent versus 45 per cent). The HDI improved from 0.317 in 1970 to 0.432 in 1990.

5. Lesotho faces formidable development challenges. Nearly 55 per cent of the population lives below the poverty level, unemployment and population rates remain high, land degradation is widespread, natural resources (apart from water) are scant and the industrial base and level of investment are very weak.

6. Lesotho has a labour force of around 780,000. The employment situation has deteriorated and the unemployment rate rose to 33 per cent in 1990, up from 23 per cent in 1985. Nearly 100,000 workers are employed in the Republic of South Africa, but this represents about half the figure of 10 years ago. Employment policies in the Republic of South Africa related to migrant workers employed in the mines are having an unfavourable impact on the economic situation in Lesotho. Between 1989 and June 1991 the number of Basotho miners employed in South African mines dropped from 126,000 to 97,000. Retrenchment of miners continues at a rate of about 5,000 per year, negatively affecting the volume of remittances from migrant workers. The socio-economic importance of these remittances is particularly critical to the nearly 47 per cent of rural households that depend on them.

B. National development objectives and strategies

7. The Government's Fifth Five-Year Development Plan (1992-1997) establishes national priority programmes and development objectives. A key objective is economic growth that ensures real improvement in the standard of living, taking into account both the rapid rate of population growth and the likely stagnation of income from abroad. A major strategy is "the elimination of poverty by providing employment opportunities and income-generating projects and by continuous education and vocational training". The principal objective of the Government is "to achieve rates and patterns of economic growth that will allow continued and sustainable improvement in the living standards of all Basotho".

8. The Government's social development objectives are based on the recognition that social progress is both a basic foundation of economic growth and the ultimate target of development efforts and that growth is not sufficient to ensure improved social conditions for the majority of the population. Government strategy is to increase the provision of basic services, including, inter alia, health, education, housing and appropriate infrastructure, and to ensure that these services are fairly distributed among people and districts. The Government will promote popular participation in the formulation and implementation of overall development programmes as well as improve its ability to monitor social development.

9. The implementation of the ESAF, which entails better management of the economy through rational allocation of economic and human resources and reform of the land tenure system, is a key national objective aimed at alleviating

poverty, creating employment opportunities and directing scarce national resources to productive use and investment. The Government will also pursue the implementation of the National Education Investment Plan (1991-1995) and the National Environmental Action Plan 1991. Creation of employment, liberalization of the investment code, training of industrial workers and implementation of rural development programmes are strategies that are being pursued by the Government. The implementation of the Lesotho Highlands Development Project (LHDA) at a cost of $2.5 billion remains a high priority for income-generation and economic growth, self-sufficiency in energy requirements for domestic and industrial development, tourism and employment.

II. EXTERNAL COOPERATION

A. Role of external cooperation

10. External assistance continued to play a significant role in the socio-economic development of Lesotho because of the country's geographical location, scant natural resources, LDC status and dependence on the Republic of South Africa for employment, exports and imports. The amount of support reported during the 1980s has fluctuated significantly, but it is apparent that it has dropped substantially during the past 10 years. The total development assistance reported in 1988 and 1989 was under $90 million, compared to $183 million reported in 1984. In 1990 the level was reported at $114 million, with a larger proportion of disbursements associated with capital projects. External cooperation was allocated as follows: 21 per cent to GDP, 79 per cent to gross domestic investment, 18 per cent to imports, 24 per cent to export of goods and services and 35 per cent to total government expenditure.

11. The main sectors supported by donor assistance are human resources development, transport, health, agriculture, social development, economic management and development administration. The United Nations system has devoted its resources mainly to agriculture and rural development, economic management, human resources and industry.

12. Substantial bilateral assistance has been provided by the Governments of Denmark, Germany, Ireland, Sweden, the United Kingdom and the United States of America ($40 million). Total bilateral assistance was estimated at $49.5 million in 1990. Non-governmental organizations (NGOs) are active in Lesotho and are grouped under a national council of NGOs supported by the United Nations Development Programme (UNDP). The annual funding from NGO sources is around $2 million.

13. Such multilateral organizations as the African Development Bank (AfDB), the African Development Fund (AfDF), the World Bank, the IMF, the Commonwealth Fund for Technical Cooperation (CFTC), the International Fund for Agricultural Development (IFAD) and the European Economic Community (EEC) disbursed $47 million in 1990. United Nations system funding amounted to $18 million. The volume of technical cooperation provided by UNDP and its administered funds amounted to around $5 million.

14. Technical cooperation will focus on human development, making it possible for the Lesotho economy to grow as a result of strengthened linkages between human resources development and investment and employment. Lesotho will need technical cooperation personnel for some time to come, and the national technical cooperation assessment and programmes (NATCAP) process will provide the Government with a framework to use these resources more effectively.

B. Aid coordination arrangements

15. The Ministry of Planning, Economic and Manpower Development is responsible for negotiating and coordinating external assistance provided by bilateral and multilateral sources, including the United Nations system. In negotiating with the IMF and the World Bank, the Ministry of Finance plays a major role. Some bilateral donors negotiate aid agreements with the Ministry of Foreign Affairs. The Ministry of Planning holds quarterly meetings with resident donors, and sectoral consultations take place from time to time under its leadership. There is also a Technical and Vocational Education Coordination Board chaired by the Ministry of Education which meets bimonthly. UNDP represents the donors on the board. Donors convene a number of coordination meetings, including monthly meetings for an exchange of information on development assistance and a monthly meeting on women in development. There is also a standing committee on food aid and a donor's scholarship committee. The focal point for technical cooperation among developing countries (TCDC) is the Ministry of Planning. Thus far TCDC has not been implemented but possibilities will be explored in the course of the fifth country programme. The aid coordination framework and machinery requires streamlining and strengthening. This could be enhanced with an effective development cooperation analysis system (DCAS). The Government intends to streamline its procedures for development coordination and to strengthen its capacity to negotiate aid agreements. With the decline in total development assistance, round-table conferences and sectoral consultations are very important in maintaining the flow of donor assistance to Lesotho.

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

16. The main objectives of the fourth country programme included restructuring and strengthening the planning capacity in the productive sectors and development of human resources. These objectives were selected to enhance government capacity in planning and economic management and to increase the number and quality of trained personnel. About 36 per cent of indicative planning figure (IPF) resources were devoted to national capacity-building through training within and outside the country. Some 25 per cent of the IPF was used to enhance planning capacity and 35 per cent was earmarked for agriculture and other income-generating activities.

17. The pool of trained manpower in the Ministries of Planning, Trade and Industry, Agriculture and Rural Development was expanded, although retention of trained personnel in some instances was not sustained due to the uncompetitive incentive structure of the civil service and higher wages in the private sector, which resulted in a "brain drain" to alternative opportunities in Republic of South Africa "homelands", to the Lesotho Highlands Water Project and to the private sector.

18. Income-generating programmes (agriculture, handicrafts) and strategies were developed with active participation of the rural poor, especially women. Marketing strategies were also initiated and credit programmes launched with funding from the United Nations Capital Development Fund (UNCDF), in support of entrepreneurs and the food self-sufficiency programme, and the United Nations Development Fund for Women (UNIFEM), in support of income-generating activities.

19. The objectives of the fourth country programme were relevant to the national priorities outlined in Lesotho's Fourth Five-Year Development Plan. The programme was adjusted following the mid-term review in 1989 by carrying out sectoral evaluations and by merging projects with similar objectives, strategies and target groups. The programme responded to government priorities as new projects, such as the Civil Service Improvement Project funded under the Management Development Programme (MDP), and training of civil servants in response to reform measures mandated by the SAF, were added.

20. The fourth country programme was implemented with a high degree of coordination and collaboration with donor agencies, through participation in the monthly donors meetings and the UNDP-organized Project Appraisal Committees (PACs). Coordination and collaboration with the other members of the Joint Consultative Group on Policy (JCGP) (the World Food Programme (WFP), the United Nations Population Fund (UNFPA), IFAD and the United Nations Children's Fund (UNICEF)) involved joint studies in education and nutrition, provision of United Nations Volunteers (UNVs) to support the school feeding programme and participation in the country programme mid-term reviews and PACs of UNICEF, UNFPA and UNDP.

21. The lessons drawn from the implementation of the fourth country programme confirm the need for a thorough assessment of: the preinvestment potential of projects; the role of women in development; environmental considerations; and the pursuance of the programme approach instead of a project approach. It also confirms the importance of involving beneficiaries in programme formulation, implementation, monitoring and evaluation.

B. Proposals for UNDP cooperation

1. Preparatory process

22. Sectoral reviews and programming missions by the International Labour Organisation (ILO), the Department of Technical Cooperation for Development (DTCD) and the United Nations Industrial Development Organization (UNIDO) and consultations with the IMF, the World Bank, the Food and Agriculture Organization of the United Nations (FAO), UNV, UNICEF, the United Nations Educational, Scientific and Cultural Organization (UNESCO), WFP and UNFPA identified technical cooperation needs in the areas of economic and social planning, financial management, employment, human resource development and rural development. Studies have been conducted jointly with UNICEF in the area of education. The preparatory process also involved review and assessment of the fourth country programme through joint government and UNDP working groups. The recommendations of the working groups were reflected in the UNDP advisory note which was also circulated among donors and United Nations system agencies.

23. The proposed programme reflects the Government's development objectives and priorities as well as UNDP areas of comparative advantage in delivery of technical cooperation. The overall programming directives of United Nations General Assembly resolution 44/211 of 22 December 1989 and UNDP Governing Council decision 90/34 of 23 June 1990 were taken into consideration. The fifth country programme's cycle coincides with that of UNICEF and UNFPA (1992-1996).

2. Strategy for UNDP cooperation

24. Lesotho was the first country to hold round-table conferences (in 1972) and held six of these conferences between 1972 and 1988. The Government will base its cooperation and dialogue with UNDP, United Nations system agencies and other development partners on the round-table process, especially sectoral consultations of long-term impact on economic and human development. The NATCAP process, which was initiated in 1991, will provide the Government with a policy framework which will enable the adoption of a technical cooperation programme.

25. The needs assessment which will be carried out in connection with the NATCAP initiative will be utilized in future round-table conferences and sectoral consultations and in the development of programmes in the areas of concentration during the fifth country programme.

26. Cooperation with UNDP in resource mobilization and aid coordination will be pursued through the launching of the DCAS, the NATCAP process and the management reforms which are being undertaken with assistance from the MDP. National Long-Term Perspective Studies (NLTPS), which will be initiated during the fifth country programme, will enable long-term planning and will strengthen policy dialogue with development partners.

27. During the implementation of the fifth country programme, the programme approach will be adopted and greater use will be made of national experts, UNVs, United Nations International Short-Term Advisory Resources (UNISTAR), NGOs and the private sector. Capital from UNCDF will be used for the promotion of small-scale and micro-enterprises, education, health, safe water supply and rural transport. These will further the objectives of poverty alleviation, employment creation, human resources development and enhancement of the role of women in development.

3. Proposed UNDP cooperation in selected areas of concentration

28. The Government proposes that the country programme be focused on the alleviation of poverty through four distinct and interrelated programmes. These programmes will require substantial additional external assistance to strengthen planning and financial management, improve use of local rural resources, advance human resource development, increase employment opportunities and address such thematic issues as the role of women in socio-economic development, population growth and the environment.

Economic and social planning and financial management

29. The medium-term outlook for Lesotho is uncertain, with a relatively high probability of slow economic growth, rising unemployment and a generally weaker revenue resource base. In recent years the Government of Lesotho has experienced a series of budget deficits as expenditure levels have progressively risen above income levels. The Government has adopted measures to streamline systems of public administration and economic and financial management. This orientation is fully in accord with the broad objectives set out in the Fourth and Fifth Five-Year Development Plans and reinforced under the Policy Framework Paper (PFP) and the ESAF, supported by the IMF and World Bank and the international community. The Government has introduced a range of economic and financial measures designed to strengthen economic policy formulation and promote institutional reform to improve overall performance of the economy and increase efficiency and productivity of public services. The measures focus on streamlining the budgetary process to promote more efficient allocation of economic and financial resources, enhancing fiscal and tax administration and broadening the tax base.

30. Complementary measures have been taken to improve budgetary information systems and to strengthen and restructure the planning machinery, as well as to introduce measures aimed at enhancing the effectiveness of the civil service and overall public sector management.

31. Three main substantive areas are proposed:

(a) Assistance to the Ministry of Planning, Economic and Manpower Development to strengthen macroeconomic policy formulation and macroeconomic management, to foster linkages between economic policy and social planning and to improve aid coordination procedures. The technical support programme will

also be directed towards improving the planning machinery at all levels, including the planning units in the technical ministries and planning bodies in the districts. Special attention will be paid to social sector planning with a capacity to formulate and implement social policies and programmes, especially in health and education;

(b) Financial management to upgrade financial management in the area of fiscal operations, expenditure restructuring to improve alignment with national development priorities and improvement in the budgetary process and revenue and expenditure monitoring and control procedures;

(c) Civil service reform and management to intensify and broaden existing support to civil service management training and reform through the MDP, with the objective of instilling sound management practices in the public service. The training of managers through the Lesotho Institute of Public Administration is to be reinforced and linked to the need to improve the system of resource planning and financial management.

32. Cooperation will be forged with donor supported programmes in the areas of concentration. The World Bank and IMF are supporting the ESAF; AfDB will provide support in resources management and training; and the Swedish International Development Authority (SIDA), Germany, Ireland and the United Kingdom will cooperate in financial management, economic planning and parastatal management. As population growth constitutes a major constraint to sustained socio-economic development in Lesotho, collaboration with UNFPA in strengthening the Manpower and Population Division will be continued. Linkages with the fifth intercountry programme are envisaged in areas relating to long-term strategic planning, debt management and debt reduction policies and policy analysis.

Human resources development

33. Despite the substantial gains that have been made in the areas of education and training since independence in 1966, a large number of adult Basotho are illiterate and about half a million individuals over the age of 15 lack the reading and writing skills necessary for gainful employment. Technical and vocational education programmes suffer from a lack of standardized curricula and testing systems and physical facilities, inadequately trained instructors and a lack of training equipment and credit facilities for self-employment.

34. The Government recognizes the importance of reorienting the education system towards productive employment and places great emphasis on reduction of the present high level of functional illiteracy and on upgrading technical skills. The National Education Investment Plan (1991-1996) supported by the World Bank ($25.2 million) and the United States Agency for International Development (USAID) ($24.9 million) focuses on improving the quality of education and the efficient management of the education system which will widen access to quality education and alleviate functional illiteracy.

35. The Government seeks to cooperate with UNDP in the implementation of the National Education Investment Plan (1991-1996) in the following areas:

(a) Upgrading the quality of primary education. The current education system is characterized by a lack of relevance to social and economic development needs. Development of educational curricula and expanding the training of primary schoolteachers will be undertaken with emphasis on productivity and the needs of the economy and the labour market;

(b) Adult basic literacy programme. It is estimated that 27 per cent of adult Basotho are illiterate and 54 per cent are functionally illiterate. For socio-economic development to be successful, it is essential that literacy be raised. Without basic literacy a strategy to encourage Basotho to obtain employment away from land-related activities is unfeasible. The fifth country programme will support government initiatives to expand literacy programmes, especially for women, youth and the unskilled, in collaboration with UNICEF and UNESCO;

(c) Vocational training and technical education. This is needed to enhance the level and quality of training, to train 2,000 persons in various trades and to create credit facilities for self-employment. The focus will be on training that creates such opportunities for employment as vocational and technical trades, business management and training of industrial workers to meet the needs and standards of industries. The programme aims to reorient technical education towards marketable production skills and skills needed for agricultural and non-agricultural income-generating activities;

(d) Miners reorientation training. Special support will be provided for programmes that focus on the training needed to reintegrate returning miners in the labour market in conjunction with programmes supported by donors and NGOs.

36. In developing and implementing the support for this area of concentration, the close collaboration already initiated with such donors as USAID, the World Bank, ODA, AfDB, UNESCO, UNICEF and WFP in support of the National Education Investment Plan, will be further developed. The use of UNCDF funds for school construction will augment the resources needed for education. Cost-sharing with other donors is also envisaged. Given the focus of the fifth intercountry programme on fostering an enabling environment for human development, linkages in programmes supporting education, such as preparation and publication of textbooks, curriculum development and research and training for distance education, will be pursued.

Employment promotion

37. The task of production and employment restructuring poses a major challenge to the Government of Lesotho. The critical element is mobilization and allocation of resources in accordance with the strategies and programmes which combine employment creation and human capital development through effective policy development and management. The Fifth Five-Year Development

Plan recognizes the importance of investment to generate employment, stating "... the best chances for employment of less skilled labour lie in an adequate level of accompanying investment". The maintenance of sustained growth in Lesotho, despite loss of employment and remittances of migrant workers in the Republic of South Africa, relies on the expansion and diversification of domestic production and increased job creation in the domestic economy. This requires improvement in the productivity of those who are employed and under-employed, as well as employment of the unemployed.

38. Over 20,000 individuals seek employment annually, whereas the economy can create only 4,000 to 6,000 jobs. Given the high rate of unemployment (33 per cent), the low rate of job creation domestically and the declining opportunities for migrant workers, non-formal employment must be considered as an alternative source of employment. It is also necessary to transform non-formal activities to create and expand productive employment opportunities. Support is required for government initiatives to expand productive employment in the Lesotho economy, to increase the rate of job creation and to reduce unemployment dramatically.

39. The Government seeks cooperation with UNDP in the following areas:

(a) Employment policy and labour market analysis. The Government will be assisted in establishing an employment and human resource planning capacity, a labour market information system and a capacity for assessing the employment and human resource implications of government development policies and programmes so that long-term employment issues are taken into consideration in determining national macroeconomic policy;

(b) Returning migrant workers. Because of the large number of migrant workers returning to Lesotho each year, assistance is required in defining an employment strategy and plan specifically tailored for returning miners. Labour-intensive programmes involving food-for-work and capital projects specifically designed for returning miners, with support from UNCDF and WFP, will be required;

(c) Small business and informal sector promotion. Together with UNCDF and UNIFEM, support is required for activities aimed at expanding small businesses and increasing non-agricultural employment and income-generation, especially among women. Small and micro-enterprises will be assisted to overcome such constraints as marketing difficulties, legal and administrative barriers and lack of access to credit and managerial skills. The Government will be supported in developing and implementing an integrated national small enterprise development programme.

40. The World Bank is currently providing support under an agro-industries project ($21 million). UNDP cooperation in development of small-scale industries and training will be complementary to that of the World Bank. UNCDF will continue to provide credit for small enterprises and UNISTAR will expand its support to small enterprise development to include the private sector. Collaboration with AfDB, ODA and USAID is envisaged in private sector

institutional and management capacity strengthening and credit facilitation. Intercountry programme resources will be utilized for activities aimed at job creation and enhancement of management structures and processes, as well as at strengthening the administrative and technical infrastructure for private sector development. Assistance from the African Management Services Company (AMSCO) and the ILO/Southern Africa Training Employment Programme (SATEP) will be sought.

Rural development

41. Although 66 per cent of the labour force derive their livelihood from agricultural activities, the contribution of the agricultural sector to GDP has shown a steady decline in recent years due to natural and man-made factors which contribute further to the increase in the level of poverty, especially among the rural population who constitute nearly 84 per cent of the total population.

42. Only 9 per cent of the land is suitable for agriculture, investment in the sector is inadequate, credit and marketing constraints exist, yields are low, technical and managerial skills are substandard, soil is degraded (due to overgrazing and a traditional land tenure system) and the infrastructure to support off-farm activities is inadequate. Opportunities for increased employment in the face of growing retrenchment of migrant workers and population growth can be increased only through structural policy reforms in the land tenure system, improved planning and management practices and effective participation of grass-roots organizations and individuals.

43. The Government is committed to improving the socio-economic condition of the rural poor. To that end, it is engaged in changing some of the traditional practices and laws that have constrained development and contributed to the serious degradation of the rural environment. This involves making fundamental changes in the land tenure system and ending the traditional right of free access to common land for unlimited grazing. In 1989, the Government adopted a National Enviromental Action Plan which included both economic and environmental concerns in decision-making at sectoral and regional levels and which established a National Environment Secretariat.

44. Government objectives are aimed at increasing agricultural productivity and employment-generation, with a special focus on increasing income from off-farm activities. The Government seeks cooperation with UNDP in the following areas:

(a) Rural development policy. Cooperation is requested in agricultural and rural development planning and implementation of the Decentralization Policy (1986) to reduce unemployment and alleviate poverty in rural areas. The Government's rural development strategy is aimed at sustainable development of rural resources and improvement in the welfare of the rural population;

(b) Increased agricultural productivity. Assistance is sought in the implementation of policy initiatives which will result in increasing agricultural production. Support will focus on strengthening extension services through training and expanding the market economy through the development of market information systems and pricing policies;

(c) Rural small enterprise development. UNDP support is sought for productive off-farm small enterprise development for income-generation and employment. It is estimated that 50 per cent of rural households are headed by women. Of these, 27 per cent are households without male adults; the remainder are households headed by females as a result of male migration to the Republic of South Africa for employment. It is therefore important that small enterprises be developed to increase women's income-generating opportunities. Training in business development will be pursued to create off-farm employment opportunties.

45. Several donors, including USAID, AfDB, the Governments of Germany and Ireland, SIDA, ODA, the Danish International Development Agency (DANIDA), IFAD and WFP, are providing assistance in forestry, marketing, crop development, income-generating activities, rural credit, agricultural training, irrigation and environmental protection. NGOs are actively participating in the Africa 2000 Network project and UNDP-supported income-generating rural projects. Close cooperation with UNIFEM in income-generating activities has already been established and will be further developed. Faced with a high rate of soil erosion, the Government of Lesotho will participate in the Global Environment Facility. Support from the fifth intercountry programme will be sought in environmental management and increasing food production, with particular reference to strengthening the role of women in agricultural production and in the promotion and transfer of technology.

C. Assistance outside main country programme areas

46. The only projects that fall outside the four areas of programme concentration, and amount to less than 4 per cent of the IPF resources for 1992-1996, are: assistance for the preservation of the Basotho cultural heritage (Thaba Bosiu Monument); support to the Telecommunications Management Plan (a 20-year development plan); and support to the programme management of the National AIDS Prevention and Control Programme, which aims to establish an effective Programme Management Unit, formulating clinical management guidelines for patients infected with the acquired immune deficiency syndrome/human immunodeficiency virus, and to expand health education.

D. Implementation and management arrangements

47. The fifth country programme is based on a central theme of poverty alleviation and will be implemented through four interlinked and mutually supporting programmes, focusing on planning of resources, development of human resources, employment and rural development. A national manager for each programme will be sought to ensure that the areas of concentration are

integrated within the national programmes, e.g., ESAF, employment policy, National Education Investment Plan, National Environmental Action Plan and the Rural Development Strategy.

48. To the extent possible, programmes will be nationally executed. Furthermore, wider use of national experts and consultants will be made, especially in such areas as socio-economic development, employment and education. Under the new support cost arrangements, agency support to nationally executed projects will be mainly from TSS-2 resources.

49. The number of UNV specialists will expand from 40 to 60 during the course of the fifth country programme. Likewise NGOs and UNISTAR will be used whenever possible. A Government/UNDP Programme Management and Review Committee will be established to review the progress of the country programme and to ensure that in its implementation, national priorities are pursued. Tripartite project reviews will be replaced by annual country programme reviews and sectoral evaluations will be used as far as possible in place of project evaluations.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

(Thousands of dollars)

Carry-over from fourth cycle IPF	-	
Fifth cycle IPF	19 607	
Subtotal IPF		19 607
Project cost-sharing (Government)	-	
Project cost-sharing (Third-party)	675	
Programme cost-sharing	-	
Subtotal cost-sharing		675
TOTAL		20 282

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	IPF	Cost-sharing	Total	Percentage of total resources
Planning	3 921	-	3 921	19.3
Human resources	4 314	-	4 314	21.3
Employment	3 921	-	3 921	19.3
Rural development	4 707	575	5 282	26.1
Others	784	100	884	4.0
Subtotal	17 647	675	18 322	90.0
Unprogrammed reserve	1 960	-	1 960	10.0
TOTAL	19 607	675	20 282	100.0

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

(Thousands of dollars)

A.	UNDP-administered funds		
	SPR*	1 938	
	UNCDF	12 000	
	UNIFEM	300	
	UNV	100	
	Subtotal		14 338
B.	Other United Nations resources		
	JCGP participating agencies:		
	UNFPA	3 091	
	UNICEF	704	
	Other United Nations agencies (non-UNDP financed)	206	
	Subtotal		4 001
	Total non-core and other United Nations resources		18 339
C.	Non-United Nations resources		844
	TOTAL		19 183

* Include only SPR-financed, country-specific commitments.

Annex II

PROGRAMME MATRIX

Area of concentration	Area of focus a/					
	Poverty eradication and grass-roots participation	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
I. ECONOMIC AND SOCIAL PLANNING AND FINANCIAL MANAGEMENT						
Enhancement of planning capacity		*	*	*		*
Financial management		*	*	*		*
Civil service management and reform		*	*	*		*
II. HUMAN RESOURCE DEVELOPMENT						
Upgrading the quality of primary education	*		*	*		*
Adult basic literacy programme	*	*		*		*
Vocational training and technical education	*	*		*	*	*
Miners reorientation training	*	*		*		*
III. EMPLOYMENT PROMOTION						
Employment policy and labour market analysis	*	*	*	*		*
Returning migrant workers	*			*		
Small business and informal sector promotion	*	*	*	*		*
IV. RURAL DEVELOPMENT						
Rural development policy	*	*	*	*		
Agricultural productivity	*	*		*	*	*
Rural small enterprise development	*	*		*		

a/ Asterisks indicate major linkage only.